

Wheat Domestic Fundamentals:

- Wheat cash market trades under pressure as medium and bulk buyers are not buying aggressively at this point of time. They are fulfilling only their immediate requirements on easy supply side outlook. Some improvement on price front is expected at the end of September when stock in private hands starts declining and buyers turn towards govt.'s stock.
- Wheat from Bihar through private channel is being loaded to kolkatta at Rs 1560/1580 per qtl. Millers in West Bengal are sourcing wheat from Bihar due to cheaper and ample availability. Traders in M.P has revealed that wheat demand is coming from local market and Maharashtra, traders are selling wheat at Rs 1700-1720/Q, delivered basis to millers in Maharashtra, whereas south Indian millers are buying wheat from U.P, Rajasthan majorly at Rs 1800-1825/Q, delivered basis.
- According to wheat scientist Ronnie Coffman, Indian does not face Ug99 rust disease risk at present. Ug99 is black wheat stem rust fungus which can destroy 70% wheat yield.
- Wheat cash market is trading at almost unchanged previous level in clueless market. However, festive demand for wheat products may restrict market to dip further. Supply side remains ample and local demands are being taken care of by private trades.
- As export opportunity for India is diminishing fast due to widening price gap, we expect easy supply side to continue in the local market. There seems no wheat export opportunity from India as of now due to higher prices despite of weak rupee. Ukraine and Russia is exporting wheat at USD 240-244/MT, FOB Black sea region, US is selling wheat at USD 260-270/MT.
- Wheat inflation has marginally decreased in July to 13.42% year on year basis from 13.83% in May 2013. Though WPI has increased marginally 206.2 in June from 205 in May 2013. Inflation has increased marginally by 0.58% month on month basis.
- There is a general talk in market that government may offer some discount for selling wheat through OMSS as election are round the corner. Government would try to curb inflation within limit. Despite, lower production, overall sentiment in the market remains bearish.

International Market Update:

- Russia so far has harvested 37 million tonnes of wheat so far and is expected to have 15 million tonnes of surplus wheat to export as compared to 11 million tonnes in the previous season. This year Russia is expected to harvest wheat near 50 million tonnes and government is keen to replenish its cereal stock by buying 6 million tonnes from open market.
- China has recently bought Australian standard white wheat at USD 330/MT, CNF for December delivery. China might buy 4 million tonnes of Australian wheat in next marketing year beginning from 1st Oct overtaking Indonesia as largest Australian wheat importer.

Domestic market Outlook: Domestic market is likely to trade range bound with weak bias.

NCDEX Wheat Futures									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Sep-13	-3	1589	1590	1583	1583	1,800	-2,030	9,760	1,360
Oct-13	0	1597	1605	1595	1595	990	-1,680	2,780	70
Nov-13	3	1607	1611	1607	1607	80	0	230	0

Spread	Sept-13	Oct-13	Nov-13	Dec-13
Spot	-3			
Sept-13		12		
Oct-13			12	
Nov-13				-

Stocks	Demat	In-Process	Total	FED
	23.8.2013	23.8.2013	23.8.2013	19.8.2013
Delhi	15166	0	15166	15325
Itarsi	-	-	-	-
Kanpur	52	0	52	52
Kota	-	-	-	-

Wheat (CBOT) On 23.08.2013(Bushels/Cent)

Contract	Open	High	Low	Close	+/-
Sep-13	629.25	638	628.5	634.5	4
Dec-13	638	648	638	646	5.5
Mar-14	655	659.5	650.75	658	5.75
May-14	659	665.75	658	665	5.5
Jul-14	656	661.75	654	660.5	5.5
Sept-14	671	672.25	665.75	671.75	6

Wheat Daily Prices and Arrivals on 24.08.2013

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			8/24/2013	8/23/2013	
Delhi	Lawrence Road	Mill Delivery	1580	1580	Unch
	Narella	Mill Quality Loose	1540	1545	-5
	Nazafgarh	Mill Quality Loose	1515	1515	Unch
Gujarat	Rajkot	Mill Delivery	1640	1640	Unch
	Ahmedabad	Mill Delivery	1735	1725	10
	Surat	Mill Delivery	1750	1735	15
M.P.	Bhopal	Lokwan	1650	1650	Unch
	Indore	Mill Delivery	1625	1625	Unch
Rajasthan	Kota	Mill Quality Loose	1510	1510	Unch
		Mill Delivery	1611	1600	11
U.P.	Kanpur	Mill Delivery	1560	1560	Unch
	Mathura	Mill Quality Loose	1450	-	-
	Kosi	Mill Quality Loose	1450	1470	-20
	Hathras	Mill Quality Loose	1425	1420	5
Punjab	Khanna	Mill Quality Loose	1450	1450	Unch
	(Ludhiana)Jagraon	Mill Delivery	1500	1500	Unch
Haryana	Sirsa	Mill Delivery loose	1460	1470	-10
	Hodal	Mill Delivery	1590	1580	10
	Karnal	Mill Quality Loose	1500	-	-
	Bhiwani	Mill Quality Loose	1490	1490	Unch
Tamil	Chennai	Mill Quality	1875	1865	10

Nadu	Madurai	Mill Quality	1920	1915	5
	Coimbatore	Mill Quality	1920	1915	5
FOR	Kandla(Rajasthan-Kota)	Mill Quality	1740	1740	Unch
	Gandhidham(Rajasthan-Kota)	Mill Quality	1740	1740	Unch
Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			8/24/2013	8/23/2013	
Delhi	Lawrence Road	Mill Delivery	10000	12000	-2000
	Narella	Mill Quality Loose	1000	550	450
	Nazafgarh	Mill Quality Loose	300	300	Unch
Gujarat	Rajkot	Mill Delivery	-	-	-
	Ahmadabad	Mill Delivery	-	-	-
M.P.	Bhopal	Lokwan	-	-	-
	Indore	Mill Delivery	-	-	-
Rajasthan	Kota	Mill Quality	-	-	-
U.P.	Kanpur	Mill Delivery	-	-	-
	Mathura	Mill Quality Loose	-	-	-
	Kosi	Mill Quality Loose	500	500	-350
	Hathras	Mill Quality Loose	150	300	-
Punjab	Khanna	Mill Quality Loose	200	300	-100
Haryana	Sirsa	Mill Quality Loose	100	200	-100
	Hodal	Mill Quality Loose	100	100	Unch
	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Quality Loose	-	-	-
	Bhiwani	Mill Quality Loose	200	200	Unch
Wheat Products Delhi			8/24/2013	8/23/2013	Change
Atta (50kg) Ordinary			940	940	Unch
Maida Grade 1 (90kg)			2111	2111	Unch
Maida Grade 1 (50KG)			1155	1155	Unch
Suji (50kg)			1180	1180	Unch
Chokar (50 kg)			613	608	5
Chokar (34 kg)			384	384	Unch
Chakki Atta (50kg)			985	985	Unch
Chakki Atta (50kg) Special			985	985	Unch
Chakki Atta (90kg) Superfine			1816	1816	Unch
Chakki Atta (50kg) Superfine			990	990	Unch